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C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 000729

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STATE FOR NEA/ARP AND G/TIP; TREASURY FOR A/S O'BRIEN; EB;  
S/CT; DOE FOR WILLIAMSON; NSC FOR RAMCHAND

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SUBJECT: MOSAL MINISTER ON TERROR FINANCE, ENERGY  
INFRASTRUCTURE, LABOR ISSUES

Classified By: Ambassador Richard LeBaron for reasons 1.4 (b) and (d)

[¶1.](#) (C) Summary: MOSAL Minister Shaykh Sabah Al-Khaled told Ambassador May 9 that recent Saudi investigations underscore the shared concerns of Kuwait and the U.S. about terrorist financing, though the GOK needs more evidence to move against RIHS. He is pleased with recent cooperation between Kuwait and the U.S. on critical infrastructure protection issues, acknowledging that Kuwait has "real gaps," and agreed on the need for closer U.S.-Kuwait cooperation and coordination on these and other security issues. MOSAL is focused on pushing forward new labor legislation that would improve workers rights, as well as a conference to be held Kuwait in November focusing on GCC-wide labor issues and organized in cooperation with the ILO and major labor-exporting countries. The Minister understands that "good intentions are not enough" on the issue of TIP concerns, and said the GOK is committed to doing more. End Summary.

#### Saudi Investigations and Terror Finance

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[¶2.](#) (C) In a May 9 meeting with the Ambassador, Minister for Social Affairs and Labor (MOSAL) Shaykh Sabah Al-Khaled Al-Sabah said the GOK needs more evidence to take any action against the Revival of Islamic Heritage Society (RIHS), noting that he had conveyed the same message to visiting Treasury Assistant Secretary Patrick O'Brien in their April 24 meeting (septel). He noted that the GOK is studying the paper supplied during the O'Brien visit. He stressed that Kuwait shares the strong concerns of the United States with regard to the underlying issue. He said recent investigations in Saudi Arabia, uncovering substantial amounts of money and weapons, and a variety of interlinked organizations, had further raised Kuwaiti awareness of these issues.

[¶3.](#) (C) Shaykh Sabah Al-Khaled, who previously served as head of Kuwait's National Security Bureau, noted wryly that the "brother Saudis" are "taking their time" on revealing the results of their investigation, but said they have committed to sharing information with the GOK via Kuwait State Security (KSS) channels. He said the GOK is "certain" there are some links between some Saudi groups and Kuwait, and the GOK will continue to monitor the investigation closely.

#### Critical Infrastructure Gaps Argue for Stronger Cooperation

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[¶4.](#) (C) Ambassador noted that the USG is finalizing a report from the recent visit of a Critical Energy Infrastructure Protection (CEIP) assessment team from Washington. The

report will highlight a number of significant vulnerabilities at Kuwaiti facilities. Shaykh Sabah Al-Khaled said the GOK is aware that there are "real gaps" and is pleased by the cooperation with the USG. He said the matter was discussed last week in the Kuwait National Security Council (a ministerial body headed by the Prime Minister) and follow-up work is planned.

15. (C) Ambassador suggested a more formalized mechanism for this type of cooperation might be useful, with civil and intelligence components to parallel the successful mil-mil meetings the U.S. and Kuwait hold. Shaykh Sabah Al-Khaled liked the idea, and said it should be considered further. He noted that Kuwaiti security concerns had "shifted from north to east" since 2003, and this requires changing the way Kuwait does many things. In response to Ambassador's suggestion that stronger GOK internal coordination is essential, Shaykh Sabah said the situation is improving, and it is now very clear that (NSB chief) Ahmed Al-Fahd is in charge of coordinating these issues throughout the GOK. (Comment: It is not clear to us from any other source that the NSB has gained this role or is capable of carrying it out effectively.)

#### MOSAL Focused on Labor Law, International Conference

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16. (C) On labor issues, Shaykh Sabah Al-Khaled said the Ministry is focused on two important initiatives. The first is a renewed political push to move forward on Kuwait's long-awaited labor law reform legislation that would strengthen the rights of expatriate workers (not domestic employees). MOSAL will meet next month with MPs, the Chamber of Commerce, and labor union representatives to build

KUWAIT 00000729 002 OF 002

consensus on the approach.

17. (C) The second initiative is a GCC conference to be held in Kuwait in November with the cooperation of the ILO and ALO aimed at dealing with region-wide issues of expatriate labor, and including the participation of the major labor-exporting countries. Shaykh Sabah Al-Khaled agreed with Ambassador's observation that labor issues represent a strategic challenge for the Gulf countries. He said the Ministry of Interior (responsible for domestic laborers) has begun to take a more serious approach to the issue, and pointed to increased engagement on a bilateral basis with exporting countries, including a recent MOU signed with the Indian Labor Minister.

18. (C) Shaykh Sabah Al-Khaled noted that MOSAL will soon begin testing a new system of on-line registration and licensing for expat workers. Trials will begin with 50 selected government and private sector entities, who will use passwords to access a MOSAL website. It is hoped that eliminating "paperwork and cash payments" will not only be more efficient but will reduce opportunities for corruption. Shaykh Sabah noted with dismay that there are currently 3500 workers in the MOSAL bureaucracy handling these issues, and processing of work permit renewals requires 19 steps.

#### TIP Concerns Taking a Higher Profile

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8, (C) Ambassador noted that Kuwait may revert to TIP Tier 3 status this year. While we have seen high-level engagement on TIP, the results have been weak. Shaykh Sabah agreed, saying "good intentions are not enough." He said TIP concerns had figured in recent cabinet discussions, including aspects of the new labor law and the building of new "labor cities." (Note: these are block housing compounds planned for single male workers, in some cases located far outside of urban areas. Their purpose is largely security-related.) He said the Ministry of Interior is paying more attention to the issue, particularly MOI U/S Shaykh Ahmed Al-Nawaf. He provided samples of a new multi-lingual brochure that will be

distributed to arriving workers detailing their rights and responsibilities.

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